

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

OGM Karl Houskeeper

JOHN R. BAZA Division Director

Representatives Present During the Inspection:

Inspection Report

| Permit Number: | C0070013 |
|------------------|-----------------------------|
| Inspection Type: | PARTIAL |
| Inspection Date: | Tuesday, January 24, 2017 |
| Start Date/Time: | 1/24/2017 8:00:00 AM |
| End Date/Time: | 1/24/2017 12:30:00 PM |
| Last Inspection: | Thursday, December 15, 2016 |

Inspector: Karl Houskeeper,

Weather: <u>Cloudy skies, Temp. 23 Deg. F.</u> InspectionID Report Number: 5746

Accepted by: DHADDOCK 1/30/2017

Permitee: UTAHAMERICAN ENERGY INC Operator: UTAHAMERICAN ENERGY INC

Site: HORSE CANYON MINE

Address: PO BOX 910, EAST CARBON UT 84520-0910

County: CARBON

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: ACTIVE

Current Acreages

| Total Permitted | 5,992.07 | |
|------------------------|----------|--|
| Total Disturbed | 42.60 | |
| Phase I | 74.26 | |
| Phase II | 74.26 | |
| Phase III | 74.26 | |

Mineral Ownership Types of Operations

| ✓ Federal | ✓ Underground |
|-----------------|---------------|
| ✓ State | Surface |
| ✓ County | Loadout |
| ✓ Fee | Processing |
| Other | Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

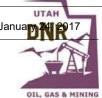
Traveled to the UtahAmerican main office located at the West Ridge mine to check in prior to traveling and conducting a partial inspection at the Lila Canyon Mine. Karin Madsen was not in the office. Spoke to David Hibbs General Manager.

-Karl R. Nouskeeper

Inspector's Signature:

Date

Tuesday, Janua<mark>r</mark>



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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|------|---|-----------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | ✓ | | ✓ | |
| 3. | Topsoil | ✓ | | ✓ | |
| 4.a | Hydrologic Balance: Diversions | ✓ | | ✓ | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | ✓ | | ✓ | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | | | | |
| 4.d | Hydrologic Balance: Water Monitoring | | | | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | ✓ | | ✓ | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | ✓ | | ✓ | |
| 8. | Noncoal Waste | | | | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | | | | |
| 10. | Slides and Other Damage | | | | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | | | | |
| 13. | Revegetation | | | | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16. | a Roads: Construction, Maintenance, Surfacing | | | | |
| 16.1 | o Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | | | | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| 21. | Bonding and Insurance | | | | |
| 22. | Other | | | | |

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2. Signs and Markers

The mine identification is clearly posted at the entrance into the Lila Canyon Mine permit area. The sign contains the name, address, phone number and mining permit number which are requirements by statute. The sign is in compliance.

3. Topsoil

The topsoil pile is blanketed by winter snow storms as recent as yesterday.

4.a Hydrologic Balance: Diversions

The diversions throughout the site are blanketed by snow from recent snow storms and are not visible. The indentations of the diversions under the snow was observable.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The larger and small sediment ponds are snow covered and have snow in the base and interior of the ponds. They appeared stable.

5. Explosives

Powder and cap magazines were signed for identification and grounded against lightning

7. Coal Mine Waste, Refuse Piles, Impoundments

No refuse piles are currently associated with this mine site.